

AGENDA
ECONOMIC DEVELOPMENT AUTHORITY MEETING
FRIDAY, FEBRUARY 17, 2017
7:00 A.M.
CITY COUNCIL CHAMBERS

- I. Call to Order/Roll Call
 - A. Elections
 - 1. Officers
 - President
 - Vice-President
 - Treasurer
 - 2. 2017 Loan Committee
- II. Approval of Agenda
- III. Consent Agenda
 - A. January 20, 2017 Minutes
- IV. Public Comment
- V. Old Business
 - A. EDA Strategic Plans and Tactics
 - B. Buxton Retail Recruitment
- VI. New Business
- VII. Other
- VIII. Updates
 - A. Boards & Commissions
 - B.E.S.T.
 - February 13, 2017 Board of Directors Meeting
 - Visioning
 - B. Small Cities Grant Status
- IX. Next Meeting Date
 - A. March 17, 2017
- X. Adjournment

Upon request, accommodations will be provided for individuals with disabilities wishing to participate

MINUTES

**ECONOMIC DEVELOPMENT AUTHORITY
JANUARY 20, 2017
7:00 AM
CITY COUNCIL CHAMBERS – CITY HALL**

I. Call to Order/Roll Call

The meeting was called to order at 7:00 a.m. by President Russ Weir.

Members Present: Marty Armstrong
Dave Dunn
Ann Fitch
Blain Nelson
Roy Srp
Larry Thompson
Russ Weir

Staff Present: Gary Sandholm, Economic Development Coordinator
Daniel Lenz, City Manager
Mark DuChene, City Engineer
Ranae Schult, Community Development Assistant

II. Approval of Agenda

It was moved by Fitch, seconded by Dunn, to approve the agenda as presented; the motion carried 7-0.

III. Consent Agenda

A. December 16, 2016 Economic Development Authority Meeting Minutes

It was moved by Fitch, seconded by Dunn, to approve the Consent Agenda as presented; the motion carried 7-0.

IV. Public Comment

No public comments were made.

V. Old Business

A. EDA Strategic Plan and Tactics

Staff received priority information for the EDA Strategic Plan from four of the seven Economic Development Authority members. Staff will contact the remaining members for their input. Comments from new EDA members will be included in the results, as well as comments from outgoing members.

This item will be placed on the February agenda in order to have a better overview and discussion regarding 2017 EDA priorities.

B. West Interchange Utilities Extension

Mark DuChene, City Engineer, provided the Economic Development Authority members with information regarding extending utilities to the West Interchange.

The following three sanitary service options were presented:

1. 300 GPM lift station, 7 foot diameter wet well, 8 inch diameter force main, and gravity sewer to WWTF. \$1,640,000 including construction, contingencies, and engineering. Serves 108 acres. Approximately \$15,000 per acre served.
2. 500 GPM lift station, 8 foot diameter wet well, 10 inch diameter force main, and gravity sewer to WWTF. \$1,840,000 including construction, contingencies, and engineering. Serves 190 acres. Approximately 10,000 per acre served.
3. 700 GPM lift station, 9 foot diameter wet well, 10 inch diameter force main, and gravity sewer to WWTF. \$1,990,000 including construction, contingencies, and engineering. Serves 272 acres. Approximately \$7,500 per acre served.

President Weir inquired if Staff had any recommendations. Mr. DuChene stated Staff would listen to comments and take a recommendation to the City Council. Mr. DuChene stated Staff and the consultant have somewhat eliminated Option 1, and are seriously looking at Options 2 and 3.

Discussion was held regarding the necessity to weigh the cost benefit with efficiency of the service area that would be able to be served.

It was moved by Thompson, seconded by Fitch, to recommend Option #3 be forwarded to the Waseca City Council; the motion carried 7-0.

VI. New Business

A. Hotel Feasibility Study

With the construction of Highway 14 as a four lane highway, possibilities for new businesses in Waseca have opened up. Even though new Highway 14 has been open for several years, the services available between Mankato and Rochester are very limited. Traffic counts are close to those along Interstate 90 in the Blue Earth/Fairmont/Jackson area. Fairmont has four hotels and Jackson has three hotels. Fairmont also has two other hotels/motels that are at some distance from I-90. These numbers indicate the potential for another hotel to be successful in Waseca.

Locations like Waseca may be able to attract direct investment from a hospitality company, but frequently local investor groups provide the financial resources to build hotels, which are then operated by management companies contracting with the investor group. However, before investments are made, a feasibility study is usually performed to measure the local market potential.

Gary Sandholm, Economic Development Coordinator, stated that at the December 2016 Community Venture Network (CVN) session, he met Steve Sherf, Hospitality

Consulting Group, and discussed the possibility of a hotel near the south Highway 14 interchange.

Mr. Sandholm stated that a hotel may bring additional revenues into Waseca, generate additional lodging tax and provide employment. In addition, complementary businesses such as restaurants and convenience stores may also result from a hotel near this area.

Staff provided the Economic Development Authority a proposal from Hospitality Consulting Group to perform a feasibility study for Waseca focusing on the south Highway 14 interchange, at a cost of \$7,500.

Discussion was held regarding soil quality at the south interchange. Staff provided the EDA with a map which indicated South Interchange soils. However, official soil borings would be required.

A brief discussion was held regarding involvement of the Waseca County EDA. Mr. Sandholm stated that he would be attending the County EDA meeting this morning and will bring up this item. Danny Lenz, City Manager, stated any hotel would need to be in the City limits for utilities, but a joint venture may be possible.

Board member Armstrong stated that he has concerns with spending money for studies that may just sit on the shelf. He feels that actions, i.e., upfront Tax Increment Financing, etc., would get things moving.

It was moved by Thompson, seconded by Srp, to engage Hospitality Consulting Group to perform a hotel Feasibility Study for Waseca in the amount of \$7,500, focusing on the interchange of Highway 14 and Highway 13 (South Interchange); the motion carried 6-1 (nay-Armstrong)

VII. Other

- At the February 17, 2017 Economic Development Authority meeting, election of officers will be held.

VIII. Updates

Updates were provided regarding the following topics:

A. Buxton

Gary Sandholm, Economic Development Coordinator, stated that on Tuesday, January 24, 2017 at 10:00 am in the East Conference Room at City Hall, Cody Gunstenson, Buxton, would be providing information regarding their services for retail recruitment. Board member Nelson and Board member Srp stated they would like to attend.

B. Boards & Commissions

- **B.E.S.T. of Waseca County**
 - January 9, 2017 Board of Directors Meeting
Jim Gibson, Past President of B.E.S.T., gave a brief update on B.E.S.T. activities.

Danny Lenz, City Manager, stated the Visioning Team is working collaboratively with the County on a visioning process. An RFP has been

sent out and interviews will soon be conducted. The Visioning Team is working under the auspices of B.E.S.T. as this is not only the vision of the City, but of the outlying communities in Waseca County.

Mr. Gibson stated he is very excited about being a part of this collaborative effort.

IX. Next Meeting Date

The next Economic Development Authority meeting is scheduled for Friday, February 17, 2017, at 7:00 a.m.

X. Adjournment

It was moved by Thompson, seconded by Srp, to adjourn the meeting at 8:00 a.m.; the motion carried 7-0.

Ranae Schult
Community Development Assistant



To: Russell Weir, President
Waseca Economic Development Authority

From: Gary Sandholm

Meeting Date: February 17, 2017

Subject: EDA Priorities

BACKGROUND: The EDA held a planning session in October. Input from that session was categorized into Strategic Planning and Tactics, and given to the EDA Board at the November meeting. Board members were asked to individually prioritize the topics so that a plan of action can be made for 2017. The accompanying documents illustrate the priorities based on information received.

Some tactics have reasonably consistent rankings while others show a wide range of opinions. This is not a bad thing. It helps avoid groupthink and shows that the board is looking at many possibilities.

Recommendations: The EDA Board can review and modify the rankings as needed. The City Manager and Economic Development Coordinator will draft a plan of action for 2017 based on the final rankings that will be presented at the March 2017 EDA meeting.

Budget impact: None

Respectfully,

A handwritten signature in black ink, appearing to read 'Gary Sandholm', written in a cursive style.

Gary Sandholm

Economic Development Coordinator

2017 Compilation

Objective	Create an environment that is conducive to growth and sustainability by identifying and evaluating properties and designing infrastructure and incentive plans for residential, commercial and industrial development.		Priority
Strategy	Evaluate Waseca housing conditions to identify the gaps, needs and opportunities in housing options, and determine what actions need to be taken to increase housing and population growth.		
	Tactic	Establish an incentive program to spur new housing development through the use of tax increment financing and tax abatement and the waiving of fees in order to reduce the cost of investment.	1
	Tactic	Explore direct investment and public-private partnerships for housing projects that meet the communities needs as articulated in the 2015 Housing Study.	3
Strategy	Develop criteria to identify appropriate property for commercial and industrial growth		
	Tactic	Conduct an inventory of property to evaluate using criteria to determine appropriateness of City investment and incentives in development	9
	Tactic	Develop criteria to determine the priority and evaluate the cost benefit of potential developments to guide the EDA and City Council in determining where to invest city funds and provide incentives	4
Strategy	Design incentives plans and make strategic investments that reduce the cost for commercial and industrial development		

Tactic	Identify and assist, including possible direct investment, in the development of services needed for the expansion and retention of local businesses.	2
Tactic	Identify, acquire and provide infrastructure to seed property to spur growth in identified priority areas	8
Tactic	Explore the establishment of incentive programs for new job growth and tools to aid local businesses in recruitment.	5
Tactic	Identify methods, incentives and locations to to assist in the development and growth of start-up businesses, in-particular for businesses working in the field Bio-Agriculture	6

Objective

Engage in the active recruitment and retention of business through the marketing of and education about the community's development opportunities, incentives and amenities.

Strategy

Create an appealing environment to attract businesses and regional visitors by increasing communication, beautification efforts and the creation of destination retail events.

Tactic

Draw regional travelers to Waseca businesses through the use of targeted advertising and way-finding and welcome signage along primary corridors

12**Tactic**

Create a welcoming environment into the heart of Waseca through continued investment in and support of landscaping and beautification efforts along key roads into the City

15**Tactic**

Develop events and attractions to bring regional visitors to shopping districts and businesses in the City

17**Tactic**

In conjunction with our partner organizations, develop consistent, consolidated and coordinated information on amenities, attractions and events in Waseca

18**Strategy**

Evaluate demographic, labor and market conditions to develop a marketing strategy to target businesses and industries for recruitment.

Tactic

Aggressively market vacant property through increased advertising, attached incentives packages and requests for development proposals

10**Tactic**

Consolidate and make accessible key demographic and economic data for prospective businesses and developers

11

	Tactic	Develop incentive packages specifically designed to attract targeted businesses and industries, and provide for fast-tracked approval	14
Strategy		Create a single, consolidate information structure for business and development that provides key information to aid them in making development and location decisions.	
	Tactic	Create an information source on available property, for sale and rent, which includes key decision making information (including allowable uses, cost, demographic and economic information.	16
	Tactic	Develop a dynamic economic development guide that provides key information on contacts, incentives, support services, grants and regulations to ease developer and business decision making and information gathering	7
	Tactic	Working through the GreenSeam project assist businesses in making local connections for sales, supply chain needs and machinery and equipment investments.	13

2017 EDA Priority Rankings

Establish an incentive program to spur new housing development through the use of tax increment financing and tax abatement and the waiving of fees in order to reduce the cost of investment.	1
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